
**CALIFORNIA STUDENT AID COMMISSION
GRANT ADVISORY COMMITTEE MEETING**

10811 International Drive
Rancho Cordova, CA 95670

**MINUTES
January 16, 2008**

A teleconference meeting of the Grant Advisory Committee was held on Wednesday, January 16, 2008.

ADVISORY COMMITTEE MEMBERS:

Mary Lindsey, Chair, PI
Sharon Bowles, Vice Chair, HS
Kate Jeffery, UC
Lora Jo Bossio, UC
Susan Gutierrez, CSU
Timothy Bonnel, CCC
Marco De La Garza, CCC
Lisa Douglass, AICCU
Catherine Graham, AICCU
Frederick Holland, PI
Judi Sveen, PI

Lorena Hernandez, Commission Liaison

STAFF:

Catalina Mistler, Chief, PASD
Steve Caldwell, Chief, GRPA
Bryan Dickason, Manager, Cal Grant Operations
Gloria Falcon, Manager, PPD
Bob Illa, Acting Chief, Fiscal and Administrative Services
Yvette Johnson, Manager, School Support Services
Karen Henderson, Research & Policy Analysis
Lori Nezhura, PPD
Mona Stolz, PPD
Kristen Trimarche, PPD
Tae Kang, Cal Grant Operations
Cheryl Lenz, Public Affairs

ALSO PRESENT:

Dan Friedlander

GRPA (Governmental Relations and Public Affairs Division)
PASD (Program Administration and Services Division)
PPD (Program Policy and Development)

1 Roll Call was taken but a quorum was not recognized.

2 Chairperson Lindsey began the meeting with a review of the purpose for the
3 teleconference meeting and continued by indicating that in addition to the four workgroups
4 discussed at the October 2007 Grant Advisory Committee retreat, two workgroups were added
5 after the November 2007 Commission meeting. With those six workgroups in mind, GAC
6 members were responsible for prioritizing work for 2008 to provide CSAC staff with the
7 necessary information to allocate resources in support of the workgroups.

8 **TAB 2.b – IDENTIFYING AT-RISK INSTITUTIONS**

9 Ms. Falcon proceeded to provide an update on the issue of identifying at-risk institutions,
10 which included some of the suggested methods for safeguarding State funds, such as creating
11 a survey document, creating a watch list, reviewing copies of the audit report, and to research
12 trends.

13 While researching the methods, staff found that a detailed report from the Post-
14 secondary Education Participant System may be a viable document to use in addressing at-risk
15 institutions as it provides a good snapshot of various institutions.

16 Chairperson Lindsey proposed a minimum of two hours dedicated to the issue and
17 Member Bonnel agreed. Chairperson Lindsey summarized the process for the at-risk issue by
18 suggesting that after appropriate discussion with GAC, the criteria for determining how to
19 proceed with at-risk institutions be brought back to the Commission for approval and if the
20 Commission approves the criteria, then GAC will work out its implementation.

21 Member Jeffery inquired about who is involved with the workgroup, and Chairperson
22 Lindsey asked CSAC staff to notice all GAC members of any scheduled meetings so those who
23 were interested could participate.
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1 **TAB 2.a – NET INTEREST CALCULATION**

2 Ms. Nezhura started the update by clarifying that the issue should be referred to as
3 account maintenance and interest calculation to be inclusive of the scope of the content
4 involved.

5 As background information, Ms. Nezhura explained that the review process of the
6 Institutional Participation Agreement included discussion of interest-bearing account
7 requirements that brought rise to issues about institutional administrative costs. At the
8 Commission meeting in September 2007, GAC suggested that the Commission consider
9 sponsoring legislation which would change the administration of the existing Cal Grant
10 programs by allowing institutions to offset costs related to establishing interest-bearing accounts
11 in addition to suggesting a change that would require the Commission to pay institutions lost
12 interest (also referred to as netting interest and negative interest).

13 The Commission directed CSAC staff to further research the situation, and a survey was
14 created, which was sent out on December 27, 2007, to financial aid administrators on CSAC's
15 list serve to gather information by January 31, 2008. The survey was also sent out on January
16 15, 2008, to all EFT coordinators with email addresses in CSAC's WebGrant system.

17 Discussion ensued on the process for creating, intent to collaborate on, and sending out
18 the survey, which resulted in Chief Mistler stating that CSAC staff is at the beginning of
19 gathering information in order to move forward with data to support a proposal from the
20 Commission. GAC and CSAC staff will convene at the March workgroup meeting to review the
21 data collected from the survey as well as discussing options to generate a recommendation to
22 go forward to the GAC meeting the following day.

23 Member Graham expressed concern over not having received notification or
24 documentation regarding the survey and that she would like a copy of the Special Alert and the
25 survey so that she could forward on the information. Ms. Nezhura confirmed that she would
26 email the requested information shortly after the meeting.

1 Chairperson Lindsey continued the meeting by reviewing the four workgroups: selection
2 criteria, chaired by Catherine Graham; data analysis, chaired by Kate Jeffery; Cal Grant C,
3 chaired by Marco De La Garza and Mary Lindsey; and non-traditional payment terms, chaired
4 by Frederick Holland.

5 She continued by indicating that she believes non-traditional payment terms is almost
6 complete and would not require a lot of CSAC staff work, while the other three workgroups
7 would potentially require a significant amount of CSAC staff work. Chairperson Lindsey then
8 inquired of Ms. Falcon and Chief Mistler if the amount of time and resources available to GAC
9 workgroups had been determined.

10 Ms. Falcon replied that CSAC staff would need to understand the scope of the issues to
11 be included in the workgroups in order to determine how much staff and research time are
12 required. In addition, Chief Mistler stated that while CSAC is currently still committed to four
13 GAC workgroups and four GAC meetings for the year 2008, staff is considering the workload
14 and priorities based on the current budget proposals, which may result in some staff workload
15 reductions.

16 Chairperson Lindsey continued by suggesting that GAC members prioritize the
17 workgroups and topics without regard to how much CSAC staff time would be required and
18 proceeded with a brief overview of the selection criteria workgroup. Member Jeffery indicated
19 her belief that the topic of the use of EFC in awarding competitive grants be included in the
20 selection criteria workgroup as opposed to the data analysis workgroup. Member Graham
21 agreed to include this topic in the selection criteria workgroup.

22 With approximately five minutes remaining for the teleconference call, Chairperson
23 Lindsey proposed scheduling another teleconference meeting to prioritize the workgroup topics
24 in time for the Commission's February meeting. However, Member Jeffery asked if it would be
25 possible to ascertain the level of interest of the data analysis workgroup topics before ending
26 the call. Member Jeffery provided a synopsis of the topics, one of which is SEARS and the

expense budgets, and the second of which is to follow up on previous work completed on take rates related to the number of Cal Grant recipients not utilizing their awards. Chairperson Lindsey confirmed GAC members' interest in exploring the issues presented.

There being no further business, the meeting of the Grant Advisory Committee adjourned at 9:50 a.m.

MARY LINDSEY
GRANT ADVISORY COMMITTEE CHAIR